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DISPATCH		CLASSIFICATION	PATCH SYMBOL AND NO.
		SECRET	EGMA-56281
TO	Chief, EE	HEADQUARTERS FILE NO.	
INFO	Chief of Station, Germany Chief of Base, Frankfurt	[ ]	
FROM	Chief, Munich Operations Group <i>clt</i>	DATE 26 September 1961	
SUBJECT	CAMOG/CATARSI/CASTONE Memorandum of Oral Agreement with CASTONE-4	RE: "43-3" - (CHECK "X" ONE)	
		MARKED FOR INDEXING	
		XX	NO INDEXING REQUIRED
ACTION REQUIRED		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	
None; FYI and File			
REFERENCE(S)			
<p>Ref. EGMA-49242 19 May 60 EGMA-39722 6 Jan 59</p> <p>1. Forwarded herewith for your information and files is a Memorandum of Oral Agreement with CASTONE-4.</p> <p>2. This Oral Agreement incorporates the provisions of, and is intended to supercede the previous contract made with Subject, forwarded under EGMA-34504, 22 May 1958, and regularly renewed up to the effective date of the attached memorandum, 30 April 1961. Please note that paragraph 8 of the Oral Agreement continues the disability and death provisions of the previous contract.</p>			
APPROVED [ ]			
Attachment: Memorandum of Oral Agreement HW			
Distribution:			
<p>13 - EE w/att (orig &amp; 2 cys) - 1 to CI/SA 12 Oct 61 2 - COS/G w/att (1 cy) 1 copy destroyed 2 - FOB w/att (1 cy) mk</p>			
NAZI WAR CRIMES DISCLOSURE ACT			
EXEMPTIONS Section 3(b)		Declassified and Approved for Release by the Central Intelligence Agency	
(2)(A) Privacy <input type="checkbox"/>		Date: 2005	
(2)(B) Methods/Sources <input checked="" type="checkbox"/>			
(2)(G) Foreign Relations <input type="checkbox"/>			
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FORM 10-57 53b	USE PREVIOUS EDITION. REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.	CLASSIFICATION	PAGE NO.
		SECRET	1
		<input checked="" type="checkbox"/> CONTINUED	

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22 September 1961

TO : Chief, EE  
VIA : Contract Approving Officer  
FROM : Chief, Munich Operations Group  
SUBJECT: Engagement of CASTONE-4 as Independent Contractor

1. Terms and Project Charge. The subject individual has been engaged under oral contract for use under Project CASTONE. The effective date of the oral contract is 30 April 1961, and shall continue thereafter indefinitely subject to termination by ODYOKE upon 30 days' actual notice, upon 30 days' actual notice by the subject, or without notice in the event of a breach of secrecy on the part of the subject.

2. Security Approval. The appropriate security approval for subject's use has been obtained. Type OA. Date 1 August 1953.

3. Citizenship. The subject is a foreign national.

4. Compensation. The subject will be paid not more than DM 1600 per month. The approximate equivalent of this amount in PBPRIME currency is 410 dollars. In addition to his regular salary, Subject will receive a Christmas bonus in line with local custom and within the terms of German Station directives governing such payments.

5. Taxes. The subject pays German taxes.

6. Quarters and Subsistence.

(a) The subject will not be furnished quarters or subsistence.

(b) The following commitments have been made regarding additional compensation to accommodate increased cost-of-living and quarters expense: no commitments have been made aside from a basic oral agreement that the question of salary adjustments may be brought up by the subject and will be considered in accordance with the subject's work capability and the circumstances which may prevail at that time.

7. Operational Expenses. The subject will be reimbursed for operational expenses, reimbursement to be made in the form of monthly payments to the subject to replenish a revolving expense account after the subject has submitted an itemized list of all operational expenses for which he is to be reimbursed, this list to be accompanied by receipts, when feasible, and an accounting summary by the subject

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showing amount on hand at the beginning of the accounting period, total amount expended, and amount on hand at the end of the accounting period. The revolving expense account is limited at DM 750.00, the maximum amount of operational expense that the subject can expend during any calendar month, excluding exceptional circumstances arranged beforehand by the handling officer. Legitimate expenses included are:

- (a) a telephone in the subject's home in his own name.
- (b) a street-car card for the exclusive use of the subject.
- (c) reimbursable transportation and living expenses when the subject is required in the course of duty to travel out of town.
- (d) gifts and entertaining expenses to contacts in the course of eliciting information or gaining access to information in the course of duty. The subject is aware that the decision of the United States Government in the person of the handling officer will be final as to what is necessary or authorized as a reimbursable expense and the degree of accounting required thereof.

8. Other Commitments. The following additional commitments have been made to the subject:

- (a) Leave. The subject will receive 20 working days paid leave per calendar year, provided such leave may be taken at times and places approved in advance by the handling officer. This authorized leave will not accrue from year to year and payment in lieu of unused leave will not be authorized.
- (b) Illness or Injury. In the event of illness or injury which incapacitates the subject for the performance of his duties, his monthly compensation will continue for a period not to exceed 90 days.
- (c) Death. In the event of the subject's death during the time he is under this oral agreement, but resulting from an injury not sustained in the line of duty, the subject's widow will be paid a sum equivalent to three months' compensation. In the event subject is killed in the line of duty, his widow will be paid a sum equivalent to one year's compensation, to be calculated at the monthly rate of compensation which he is receiving at the time of his death.

9. Contingent Obligations. None. No other commitments other than those stated above have been made to subject.

SIGNED: \_\_\_\_\_

APPROVED: \_\_\_\_\_

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